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U.S. Bank Trust National Association, not in its
individual capacity but solely as owner trustee for
VRMTG Asset Trust

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION

In re

2nd Chance Investment Group, LLC,

Debtor.

Case No. 8:22-bk-12142-SC

Chapter 11

**OBJECTION TO CONFIRMATION OF
DEBTOR'S CHAPTER 11 PLAN OF
REORGANIZATION**

Subject Property
37472 Yorkshire Dr.
Palmdale, CA 993550

U.S. BANK TRUST NATIONAL ASSOCIATION, NOT IN ITS INDIVIDUAL
CAPACITY BUT SOLELY AS OWNER TRUSTEE FOR VRMTG ASSET TRUST, by and
through its authorized loan servicing agent, Selene Finance LP (collectively the "Creditor") hereby
submits this Objection to Confirmation of the Debtor's Chapter 11 Plan of Reorganization (the
"Objection").

I. STATEMENT OF FACTS¹

1. Creditor is the beneficiary of a Deed of Trust encumbering the real property located
at 37472 Yorkshire Dr., Palmdale, CA 993550 (the "Subject Property").

¹ Pursuant to Rules 201(b) and 201(d) of the Federal Rules of Evidence, which are made applicable to this proceeding
by Rule 9017 of Federal Rules of Bankruptcy Procedure, Creditor requests that the Court take judicial notice of the
sworn bankruptcy schedules and other relevant documents filed in the instant case. References to the dockets are in
the following format: Docket Entry No. [Number].

2. Creditor filed a Proof of Claim in the instant case on April 10, 2023. *See* Claims Register, Claim No. 55-1. The Proof of Claim provides for a secured claim in the amount of \$165,647.56, including \$9,523.77 in pre-petition arrears. *Id.*

3. The Debtor filed its Chapter 11 Plan of Reorganization (the “Plan”) on May 10, 2023. *See* DE No. 139.

4. Creditor’s claim is provided for in the Plan. The Plan proposes to transfer to and subject to the terms of the Liquidating Trust. The Subject Property is currently listed for \$410,000.00

5. Creditor now submits its Objection to the Debtor’s Plan.

II. ARGUMENT

A. Creditor does not Consent to the Proposed Plan Treatment

Debtor’s Plan as proposed indicated that the Subject Property shall be transferred to and subject to the terms of the Liquidating Trust, and that the Creditor will be paid pursuant to the Liquidating Trust. Prior to the Plan been filed, Creditor had filed a Motion for Relief from Stay on May 3, 2023. After Creditor’s Motion for Relief from Stay was filed, Debtor had indicated that it has no way of making post-petition payments and the Subject Property was been sold and that Debtor need 90 days to complete the sale. Creditor was not able to agree to the additional time without any adequate protection payment and the court ultimately denied Creditor’s Motion for Relief from Stay on July 27, 2023 due to sufficient equity in the Subject Property.

It is now 2 months after the court’s denial of Creditors Motion for Relief from Stay, and 9 months after this instant bankruptcy case was filed, the Subject Property is still not sold and Creditor still has not received any on-going post-petition payments related to the Subject Property. Creditor objects to the Plan as proposed because it fails to provide a deadline for when the Subject Property will be sold, and the Plan fails to provide for any post-petition payments to Creditor pending the sale of the Subject Property. Creditor continues to incur additional cost associated with the Subject Property, and has not been provided with any reassurance that the Subject

Property will be sold by a set date. For the above stated reason, Creditor objects to confirmation of Debtor's Chapter 11 Plan of Reorganization.

WHEREFORE, Creditor respectfully requests:

1. That confirmation of the Plan be denied;
2. For such other and further relief as this court deems just and proper

Respectfully submitted,

Dated: September 22, 2023

**ROBERTSON, ANSCHUTZ, SCHNEID &
CRANE LLP**

/s/Fanny Wan
Fanny Wan (SBN 277606)
Attorney for Creditor